

111TH CONGRESS
1ST SESSION

H. R. 1527

To amend the Internal Revenue Code of 1986 to impose a higher rate of tax on bonuses paid by certain businesses owned by the Federal Government.

IN THE HOUSE OF REPRESENTATIVES

MARCH 16, 2009

Mr. PETERS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to impose a higher rate of tax on bonuses paid by certain businesses owned by the Federal Government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. HIGHER RATE OF TAX ON BONUSES PAID BY**
4 **CERTAIN BUSINESSES OWNED BY THE FED-**
5 **ERAL GOVERNMENT.**

6 (a) IN GENERAL.—Section 1 of the Internal Revenue
7 Code of 1986 (relating to tax imposed on individuals) is
8 amended by adding at the end the following new sub-
9 section:

1 “(j) TAX ON BONUSES PAID BY CERTAIN BUSI-
2 NESSES OWNED BY THE FEDERAL GOVERNMENT.—

3 “(1) IN GENERAL.—In the case of any indi-
4 vidual who receives a covered bonus during the tax-
5 able year, the tax imposed by this section shall be
6 increased by an amount equal to 60 percent of the
7 covered bonus.

8 “(2) COVERED BONUS.—For purposes of this
9 subsection—

10 “(A) IN GENERAL.—The term ‘covered
11 bonus’ means any payment in the nature of a
12 bonus which is paid by any person if at the
13 time such bonus is paid the ownership interest
14 of the Federal Government in such person is—

15 “(i) in the case of a corporation, 79
16 percent or more of the stock of such per-
17 son (by vote or value),

18 “(ii) in the case of a partnership, 79
19 percent or more of the profits interests or
20 capital interests in such person, and

21 “(iii) in any other case, 79 percent or
22 more of the beneficial interests in such
23 person.

24 “(B) CONTROLLED GROUPS.—

1 “(i) IN GENERAL.—For purposes of
2 subparagraph (A), all persons treated as a
3 single employer under subsection (a) or (b)
4 of section 52 or under subsection (m) or
5 (o) of section 414 shall be treated as one
6 person.

7 “(ii) INCLUSION OF FOREIGN COR-
8 PORATIONS.—For purposes of clause (i), in
9 applying subsections (a) and (b) of section
10 52 to this section, section 1563 shall be
11 applied without regard to subsection
12 (b)(2)(C) thereof.

13 “(C) AGGREGATE BONUS MUST EXCEED
14 \$10,000.—This subsection shall not apply with
15 respect to bonuses paid to the taxpayer during
16 the taxable year by a person described in sub-
17 paragraph (A) if the aggregate amount of such
18 bonuses paid by such person with respect to the
19 taxpayer does not exceed \$10,000.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to taxable years beginning after
22 December 31, 2008.

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